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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, October 12, 2001

JOINT PETITION OF

UTILITIES, INC.

CASE NO. PUA010031

and

NV NUON

For approval under the Utility Transfers Act

ORDER GRANTING APPROVAL

On June 27, 2001, Utilities, Inc., and nv Nuon (“Nuon”) (collectively, “the Petitioners”) filed a joint petition with the Commission under the Utility Transfers Act requesting approval of a transaction by which Nuon will acquire the ownership of Utilities, Inc., the parent company of Massanutten Public Service Corporation (“Massanutten PSC”). On August 20, 2001, the Commission issued its Order Extending Time for Review in which it extended the time period for reviewing the joint petition through October 25, 2001.

As stated in the joint petition, Massanutten PSC is a Virginia public service company that provides water and wastewater utility services to approximately 1,800 connections in Rockingham County, Virginia. Approximately 900 of these 1,800 connections are residential customers. The remaining connections are timeshare units, recreational facilities, common area facilities, and commercial facilities. Massanutten PSC also has 400 lots, which are available for service, but are not currently used. Massanutten PSC is a subsidiary of Utilities, Inc.

Utilities, Inc., is a private, investor owned water utility and water services company and is based in Northbrook, Illinois. Through its subsidiaries, Utilities, Inc., provides water and wastewater services to approximately 235,000 customers in sixteen (16) states.

Nuon is a Dutch public limited liability company. Nuon provides electricity, gas, water, and heat service to more than five million customers in The Netherlands. Nuon develops and markets products and services related to energy and water products. In addition, Nuon develops renewable energy products such as small-scale hydro-electricity, wind, and solar technologies. Nuon also develops and markets products and services related to energy and water products. However, Nuon is not involved in large-scale energy generation.

Nuon owns Norit, a leading supplier of water purification solutions for the food and beverage industry in Europe. Norit has offices in Texas and Oklahoma. Nuon and the United Kingdom firm, Biwater, own Cascal, which is an international water company. Nuon also owns North Coast Energy, Inc., an Ohio-based provider of natural gas. In addition, Nuon holds an equity interest in Green Mountain Energy Company, a U.S. based company selling renewable energy in the United States.

Nuon Acquisition Sub, Inc. ("Acquisition Sub"), is an Illinois corporation and a wholly owned subsidiary of Nuon. Acquisition Sub has been created solely for the purpose of consummating the merger involving Utilities, Inc., and Nuon.

As described in the joint petition, Utilities, Inc., and Nuon entered into a merger agreement on March 21, 2001, that will result in Utilities, Inc., becoming a wholly owned subsidiary of Nuon. The acquisition of Utilities, Inc., by Nuon will result in an indirect change of control of Massanutten PSC.

To accomplish the merger, which was approved by stockholder vote on May 16, 2001, Utilities, Inc., will first be merged with Acquisition Sub. Utilities, Inc., will be the survivor of the merger. Upon completion of the above-referenced merger, Nuon will pay cash to the stockholders of Utilities, Inc., for their shares of Utilities, Inc., stock. After Nuon has acquired all the stock of Utilities, Inc., the merger will be complete, and Utilities, Inc., will become a wholly owned subsidiary of Nuon. Massanutten PSC will remain a wholly owned subsidiary of Utilities, Inc. The merger is expected to close upon receipt of all necessary regulatory approvals in the United States.

As represented by the Petitioners, Massanutten PSC will continue as a subsidiary of Utilities, Inc., after the merger consummation. As further represented by the Petitioners, Utilities, Inc., will continue to operate with the same management team. Its customer service staff, located in Upper Marlboro, Maryland, and the local operating staff of Massanutten PSC will remain the same. There are no plans to change Utilities, Inc.'s management or customer service staff. Massanutten PSC will continue to receive the same support from Utilities, Inc. Massanutten PSC will also continue to be managed and operated by the same officers and personnel that currently run its operations. The Petitioners represent that the acquisition of Utilities, Inc.'s stock will not involve any rate increases for Massanutten PSC's customers. Massanutten PSC will adhere to the tariffs currently on file with the Commission and will continue to honor its customer obligations. Massanutten PSC will continue to be regulated by the Commission.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger involving an indirect transfer of control of Massanutten PSC will neither

impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the acquisition of Utilities, Inc., and, therefore, the indirect acquisition of Massanutten Public Service Corporation by nv Nuon as described herein and pursuant to the terms and conditions of the merger agreement.
- 2) The approval granted herein shall have no ratemaking implications.
- 3) As required by Chapter 10.2:1 of Title 56 of the Code of Virginia, the Small Water or Sewer Public Utility Act, Massanutten Public Service Corporation is subject to Chapter 4 of Title 56 of the Code of Virginia (“the Affiliates Act”) and shall file for Commission approval of any arrangements or agreements as required under the Affiliates Act between itself and nv Nuon and/or Utilities, Inc.
- 4) The Petitioners shall submit a report of the action taken pursuant to the approval granted herein with the Commission’s Director of Public Utility Accounting within thirty (30) days of such action taken, subject to extension by the Director of Public Utility Accounting. Such report shall include the date the acquisition took place and the total consideration paid.
- 5) There appearing nothing further to be done in this matter, it hereby is dismissed.